



U.S. PIRG

Federation of State PIRGs

Speaker Nancy Pelosi
H-232, US Capitol
Washington, DC 20515

Majority Leader Harry Reid
522 Hart, Senate Office Building
Washington, DC 20510

February 5, 2009

Dear Speaker Pelosi and Majority Leader Reid,

On behalf of millions of students, we would like to extend our support for the measures within the American Recovery and Reinvestment Tax Act of 2009, drafted under your leadership. As the price tag for attending a post-secondary institution becomes more and more out of reach for America's youth, we applaud your efforts to stimulate the economy through investment in higher education.

In recent years, Congress has taken positive action to remedy the access and affordability concerns of America's students. But in the wake of this economic crisis, we urge you to increase Student aid in the short term. States and institutions of higher education, facing recessions and budget shortfalls, see tuition hikes as the best and only way to increase revenue. The increased financial burden on students and families results in an over-reliance on loans to pay for college. Too much loan debt causes problems for students enrolling in college, staying in college, and graduating from college. Facing the choice to carry increase loan debt to pay for college, many students drop out. Current students end up working more and suffering academically. Nearly half of all students enrolled full time work 25 hours or more per week. Students graduating with significant loan debt, averaging almost \$20,000 in 2007, are forced to put off marriage, children, and home purchase. These trends, already problems before the downturn, are now further exacerbated.

Several provisions in the American Recovery and Reinvestment Tax Act of 2009 will offer the critical relief that students need in this economic climate. The \$15.6 billion increase to the Pell grant program will bolster support for almost 6 million low income students in need of additional resources and who, without this increase, would be forced to postpone their dreams of a college education and the long term economic benefits that come with it.

The \$490 million in work study funds would provide for more on-campus jobs for low and moderate income students in return for grant aid. This provision comes at a time when part time jobs and other service related jobs that students traditionally rely on are limited.

In addition, the inclusion of a partially refundable tax credit for higher education will offer families and independent students the means to offset the high cost of tuition, fees, and textbooks. With up to \$1,000 made refundable, students and families from low and middle income backgrounds, having no tax liabilities, can still benefit.

These provisions target students who need the most support and will do a great deal to stimulate the economy by strengthening students' access to a higher education. However, we are opposed to the provision in the House version that increases federal student loan limits by \$2,000 each year over four years, totaling \$8,000. This plan comes after a similar increase of \$2,000 that was passed last year. Tacking on an additional \$2,000 to last year's boost could increase student loan debt by \$10,000. Increasing student debt decreases the broader economic benefit of a college degree. Adding on to already unmanageable student loan debt at a time of economic uncertainty will hinder students' abilities to get ahead even after the recession ends.

Overall, we believe the provisions in the House version of the American Recovery and Reinvestment Tax Act of 2009 are very positive for students. We support the measures that keep students in the classroom. A significant short-term increase in student aid will help build the skilled and educated workforce our nation needs for sustained recovery.

We urge Congress to adopt the provisions outlined above and we look forward to working with you in the future.

For the students,

United States Student Association
US Public Interest Research Group

And the following college student associations and student governments:

Arizona
Arizona Students' Association
Representing 8 campuses and 123,000 students
Arizona State University Polytechnic
Arizona State University Tempe
Northern Arizona University

Northern Arizona University Yuma
University of Arizona Graduate and Professional Schools

California
California State Student Association
Representing 23 campuses, 450,000 students
University of California Students Association
Representing 10 campuses and 210,000 students
Barstow College
Fullerton College
Las Positas Community College
University of California at Davis
University of California Los Angeles
University of California Santa Barbra

Colorado
Colorado State University
Community College of Denver

Florida
Florida Atlantic University
University of Florida

Illinois
Eastern Illinois University
Lake Land College
University of Illinois at Springfield

Indiana
Indiana University Bloomington

Iowa
Iowa State University
University of Northern Iowa

Maryland
Bowie State University
Coppin State University
Towson University
University of Maryland College Park

Massachusetts
Massachusetts Student Union
Representing 29 campuses and 260,00 students
Bristol Community College

Massachusetts College of Art and Design
Salem State College
University of Massachusetts Amherst
University of Massachusetts Boston
University of Massachusetts Dartmouth
Westfield State College
Worcester State

Minnesota
Minnesota State College Student Association
Representing 46 campuses and 100,000 students

Montana
University of Montana

New Jersey
Douglass College
Rutgers University
Rutgers University at Newark

New York
Brooklyn College
Brooklyn College Graduate Schools
City University of New York
College of Staten Island Graduate Schools
Columbia University
CUNY Graduate and Professional Schools
CUNY Law School
Holyoke Community College
Hostos Community College
Hunter College
Kingsborough Community
Medgar Evers College
New York City College of Technology
Queens College
Rochester Institute of Technology
Vassar
York College

North Dakota
University of North Dakota

Ohio
Ohio State University

Oregon

Oregon Student Association-

Representing 9 campuses and 100,00 students

Pacific University

Washington

Washington Student Lobby

Representing 7 campuses and 150,000 students

Central Washington University

Wisconsin

United Council of Wisconsin Students

Representing 19 campuses and 125,00 students

University of Wisconsin at Madison